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FISCAL IMPACT STATEMENT

LS 6293

BILL NUMBER: SB 20

NOTE PREPARED: Nov 18, 2007

BILL AMENDED:

SUBJECT: Levy Limit Exclusions.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: For property taxes first due and payable after 2009, this bill eliminates the exclusion from a county's maximum levy of the county's levies for the family and children's fund and the children's psychiatric residential treatment services fund.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, the property tax levies for the county family and children's (F/C) fund and the county children's psychiatric residential treatment services (CPRT) fund are not subject to a maximum levy limitation. The state's Department of Child Services with the advice of the juvenile court and after consulting with Division of Family Resources makes a budget and levy recommendation for these two funds. The county fiscal body adopts the levy.

The 2007 F/C levy is about \$356 M, and the CPRT levy is about \$13 M. Previous to 2006, the F/C fund levy grew at an average of 5% per year. The 2006 growth was 19%, and the 2007 growth was 15%. Part of the 2006 and 2007 increases may be due to changes in policy and services.

Under this proposal, these two property tax levies would be subject to the county taxing unit's maximum levy

limitation. Maximum levy limits grow by the six-year average increase in Indiana nonfarm personal income. The growth factor is estimated at 4.6% in 2010. If the levies for the F/C and CPRT funds grow faster than the regular growth factor in a year, then the levies for other county funds that are subject to the maximum levy would grow slower than under current law.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Counties.

Information Sources:

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